WEST GATE BANK®

Our interest is you

Helping you serve your communities
I. WHAT’S THE ISSUE?

Good jobs are going unfilled!

Workforce housing is required infrastructure to attract NExt Generation workers and families.
The Paradigm has Shifted!

- Presuming new business will attract qualified labor no longer valid
- Great need for new housing, especially in rural states
- Need to transition economic development strategy
Do We Really Have a Housing Shortage?

• **Age of housing** in outstate Nebraska is falling behind required reinvestment.  
  
  Source: Department of Economic Development

• **Supply of houses** for sale - all time lows - driving up prices and decreasing affordability.  
  
  Source: State Board of Realtors

• **Cost to build** at affordable price points ($150k to $300k) exceeds market value in many outstate communities.  
  
  Source: NBA Survey

  • Lack of contractors and subs
  • Lack of ability to build in scale due to absorption risk
  • Appraisals and comps lag
  • Cost of lot development and building materials
Workforce outgrowing housing

- Large number of employment opportunities in rural counties
- Great need for new housing, especially in rural states
- Direct & indirect economic loss resulting from each unfulfilled job
Aging Housing Infrastructure

- Lack of new development
- Substandard housing stock
- Long-term economic ramifications
WHAT DOES A WORKFORCE FAMILY LOOK LIKE?

INCOME PARAMETERS:

- **Above** Current Low to Moderate Income Program Limits established by Federal government.
  - Nebraska median family income = $55k. Low=50%, Moderate= 80%

- **Workforce Target Family Incomes**
  - $40,000 to $100,000 Per Year ($20 to $50 combined per hour)
Affordable Housing Options

- Supplemented State and Federal programs not enough
  - DED - more than $20 Million
  - NIFA - approx. $250 Million
    - Less than 40% reaching rural areas of Nebraska
- State must more aggressively foster housing growth
LOCAL LENDER INVOLVEMENT!

- Provide a range of lending options.
- Provide short-term improvement loans.
- Provide financing for development of
- moderate income housing units.
West Gate Bank Committed to Rural Lending in Nebraska

- WGB partners with banks across the state through broker and correspondent programs
- Conventional, FHA, VA, USDA, and NIFA
- First Home Plus, Homebuyer Assistance, FHLB Grants
Community Bank Mortgage Solution Options

- Broker / Full Service
- Staff a loan originator
- Remain customer point of contact
- No compliance risk - completed by Lender
- No credit risk - underwritten by Lender
- Limited closing / documentation risk - Closed in Lender name
WORKFORCE HOUSING PRIORITIES

- **Priority #1** - Target Owner Occupied Housing Prices to Match Target Incomes......Price point = $150,000 and up

- **Priority #2** - Rent to own, Duplex, and Multi Family Housing dependent on community specifics

- Include Amenities Demanded by NExt Generation to attract target audience.
Five Attributes of a Healthy Community

• #5- Collaborative & Competent Public/ Private Leadership
• #4- Shared Community Agenda
• #3- Social, Recreational and Spiritual Opportunities
• #2- Infrastructure= Roads, Utilities, Healthcare, Government Services, Housing, Schools, Social Services
• #1- Industry & Business= Jobs & Careers for Citizens
Examples of Success

- Central Nebraska Housing and Economic Developers in partnership with Stuart Development Corp.
- Collaborative local leadership is the common thread in every community that successfully addressed workforce housing issues
- City of Hastings - public and private funding resources for housing rehabilitation
2018 - Challenges and Trends

- Millennial generation
- Educate youth and expand special focus to include first-generation Nebraskans
- Growing communities should develop family-friendly housing options
- Housing savings accounts
- Forgivable student loan programs